



# 2022 Corporate Responsibility Report



**SOUTHERN STAR<sup>®</sup>**

CENTRAL GAS PIPELINE

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## The Vision

One community working safely together to provide clean and reliable energy for tomorrow.

## The Mission

One team delivering innovative energy solutions through inclusive, sustainable and growth-oriented strategies.

## From our President & CEO



After becoming President and Chief Executive Officer of Southern Star in 2022, I am honored to share the stories and success of our team and company in this year’s Corporate Responsibility Report. Our team is committed to delivering innovative energy solutions through inclusive, sustainable and growth oriented strategies.

Our infrastructure assets will remain critical to delivering the safe, clean, reliable, affordable energy people demand for many years to come, but at the same time, we are diversifying. We’ve moved beyond our previous business model by researching sources of cleaner natural gas, investing in renewable natural gas and hydrogen, and achieving emissions targets.

Southern Star launched the “H2 Pilot Project,” which involved using a hydrogen-blend fuel in a natural gas reciprocating engine at the Hugoton, Kansas compressor station. Southern Star is the first natural gas transmission company in the United States to utilize hydrogen as a component in its fuel to reduce its carbon footprint.

2022 also brought the formation of Southern Star Cares, an employee-led nonprofit organization who’s fundraising will benefit the citizens of Owensboro, Kentucky, and surrounding community. Southern Star Cares plans to expand across our footprint in future years. You can learn more about Southern Star Cares in the Community Engagement section of this report.

Employee resource groups (ERGs) expanded in 2022. Our Veterans ERG provides a forum for veterans working at Southern Star and their supporters to connect and mentor one another. Multicultural ERG Experiences (MERGE) develops cultural awareness and competence at every level of the organization, enabling team members to better understand the needs of co-workers and those we serve.

This annual Corporate Responsibility Report highlights our approach to the environmental, social and governance issues of the highest importance to our business and stakeholders. It’s also a tool to hold ourselves accountable for continually enhancing our team, fulfilling our commitments to stakeholders, achieving innovative solutions, and optimizing our organization’s value.

Thank you for your interest in Southern Star and the time you invest in learning about our great company through this informative report.

Sincerely,

Shawn Patterson  
President & Chief Executive Officer

# Safety above all



## Workforce Protection

Safety is at the center of Southern Star’s core values. The focus in 2022 was keeping safety at the forefront in everything we do by embracing our safety slogan: “Own it. Share it. Live it.” This slogan embodies the mentality towards the safety culture at Southern Star.

Our commitment to safety extends beyond our team members, customers, and contractors and to their families, friends, and communities. Safety focus is not just a tool that should be used during business hours but a tool that should be utilized in our personal lives as well. Incorporating safety in all aspects of our team members’ lives helps improve their safety awareness and increases their ability to achieve safety success. When team members are safe outside of work, they are also safe while at work.

Encouraging team members to own, share, and live safety means providing a workplace environment focused less on restrictive policies and procedures, and more towards transferring the ownership of safety to team members. This concept of safety interdependence encourages team members to develop a personal sense of pride and commitment towards looking out for one another’s safety. The company also launched a ‘Making Safety Personal’ campaign. This program provides a platform for team members to share their own thoughts on what safety means to them in our weekly internal publication of ‘The Pipeline.’

Our culture and commitment to interdependency is the formula for our safety success at Southern Star. It is what has enabled our team to elevate their safety performance in 2022 and execute one of the safest years in company history. In 2022, team members exceeded company goals with zero lost time accidents (LTA) and only one recordable injury. This was the second year in a row the company completed the entire year without a single LTA. Southern Star finished the year in the top quartile

among similar companies within the Southern Gas Association (SGA) in LTA and total recordable injury rate (TRIR). Southern Star is proud of all our safety achievements in 2022. Our safety success reflects a companywide collaborative effort and the results of what an interdependent workforce can accomplish.

Southern Star’s commitment to health and safety focuses on:

- Protecting the welfare of team members, partners, and the communities where team members work
- Maintaining the integrity of infrastructure to ensure the safe and reliable delivery of natural gas to our customers
- Being prepared to effectively address emergencies to avoid social and environmental impacts
- Maintaining compliance with applicable safety laws, rules, and regulations
- Prevention of wasteful and inefficient operations

Southern Star developed a system for capturing and managing work-related injuries and illnesses through an incident reporting software called Cority. Once an incident is reported, the affected individual collaborates with leadership in a brainstorming process called “Root Cause Analysis” which encourages an open dialogue from both sides to determine the root cause of the incident and how future avoidable safety risks can be eliminated.

All team members are educated on ergonomics to promote wellness at the office and at home. This includes learning how to recognize the signs of carpal tunnel syndrome and other musculoskeletal disorders, maintaining proper posture throughout the day while seated, following proper lifting techniques, and engaging in periodic stretching to promote circulation.

The safety team is always looking for new ways to encourage the workforce to be engaged in safety. One way this goal was accomplished in 2022 was to challenge team members to identify safety hazards at home or work by implementing the Summer Safety Series. This three-month long program was designed to inspire creative thinking focused towards ensuring a safe summer at home, at work, and going back to school. This year, the safety team capitalized on the Summer Safety Series success by also providing a Winter Safety Series. These activities promoted safety through education while making it exciting and enjoyable for team members and their families.

The company relies heavily on team members to identify and address safety hazards that may pose a risk to themselves, co-workers, the environment, and communities. This insight is encouraged by starting all company meetings with a safety moment shared by a team member. This not only helps to inform others of safety concerns but also serves as a reminder that safety is at the core of all company business. Another way to share a safety hazard is via the online safety portal. Once in the safety portal, the issue is reviewed by the safety department and action is taken to correct it. The results from the shared safety hazards are then shared with the entire company so broader benefit and learning can come from the event. Team members are also encouraged to publish a safety moment on the company intranet homepage as another avenue to engage in safety ownership.

Southern Star also relies heavily on the Safety Awareness Team (SAT) to grow our safety culture. SAT is a team member-driven safety committee consisting of about 30 team members from all different fields of expertise and levels of management. SAT was created with an emphasis on empowering the workforce to actively participate in safety topics and concerns. The team meets

Safety Improvements from 2021 to 2022:

- One OSHA Recordable resulting in a 75% improvement
- Zero Lost Time Incidents

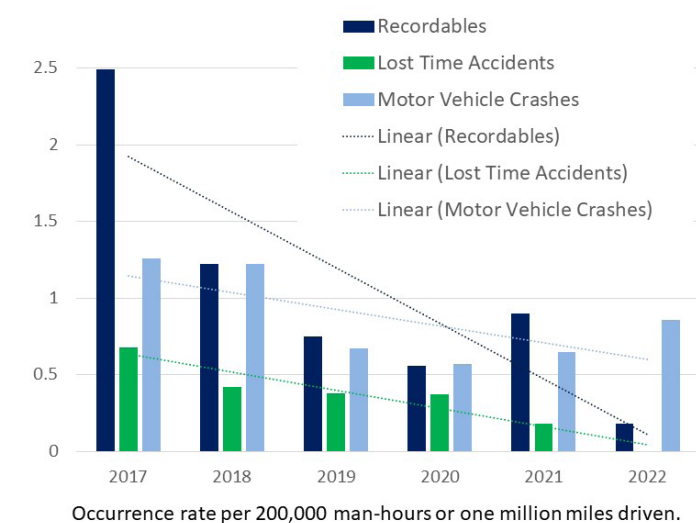
quarterly to discuss any safety issues and to share safety ideas with one another.

## Team Health & Wellbeing

Southern Star employs a multifaceted wellness program. Team members and families are encouraged to enroll in interactive, personalized financial, physical, and mental health wellness programs offered through Virgin Pulse, Omada, T. Rowe Price, ComPsych, and many others.

The physical health support services allow participants to manage an exercise regimen, maintain a record for doctor visits, take online nutrition classes, improve quality of sleep, and keep tabs on health screenings and dental exams. Mental health support was expanded in 2022 to include a best-in-class Employee Assistance Program (EAP) which includes three free counseling sessions, unlimited financial and legal advice, and day-to-day counseling for life’s challenges.

Team members who decide to join a local health club or participate in virtual fitness courses are reimbursed up to \$250 annually for an individual or family membership. Southern Star also organizes a weight loss challenge each year to encourage and reward team members who take the time to invest in their personal health through exercise and diet to lose weight. In addition, Southern Star promotes step challenges and water intake challenges in Virgin Pulse to engage team members in friendly competition.



As a 2022 benefit, Southern Star provided free access to applications like Omada Mind that offer 24/7 help to team members to ease stress, get better sleep, and find relief at their convenience. Additional benefits offered to Southern Star team members include paid time off (PTO), floating holidays, bereavement, full-pay short-term disability, and parental leave.

If an individual is looking for retirement or financial planning assistance, they can speak to a certified financial planner through The Well, which is a free financial wellness platform offered by Southern Star.

## Occupational Training

Occupational training at Southern Star uses innovative and competency-modeled methods designed to ensure the best knowledge retention in the safest environment for learning. Effective training programs provide a compliant and confident workforce that is safer and more productive.

Southern Star remained committed to quality training in 2022 by providing team members with over 8,300 hours of training.

These hours covered various training topics and were available to 1,480 attendees throughout the year. The training department is always looking for opportunities to expand the existing curriculum to enhance the quality of training for team members. In 2022 seven new training classes were added to help team members expand their skill set and succeed in their trade. The new classes that were provided are as follows:

- Advanced Pigging Class for Integrity Specialists

- Monitoring Blasting near the pipeline for Operators
- Gas Chromatography
- In-house pipeline locating & encroachment classes
- In-house engine balancing classes
- Pipeline Pigging for Engineers
- Injection odorization

Providing quality training requires investing in our training department. Improvements were made to our training center in Hesston, Kansas to help support our training initiatives. These improvements focused on establishing an atmosphere that is safe and conducive for team member growth and professional development. Some of those capital improvements include:

- Expansion of pigging demo and demo capabilities.
- Collaborated with Storage Department on installation of storage wellhead demo.
- Buried underground pipe demo installed for realistic excavation training.
- Expansion of kitchen for additional seating capacity.
- Additional virtual reality equipment for pilot program.

Southern Star also provides “Safety 101” training for all new team members. This half-day course provides a brief introduction to safety at Southern Star and must be taken within the first fifteen days of employment. New hires at Southern Star field locations are also required to attend a three-day safety orientation. This orientation introduces new hires to our safety culture by providing education to learn best practices for jobsite safety, introduction to laws for the handling and transportation of hazardous material, the prevention of communicable diseases, and CPR.

All field team members are required to take annual refresher courses on Occupational Safety and Health Administration (OSHA) regulations, safe pipeline practices, and company policies related to all pipeline construction, maintenance, and operations. These courses are a mixture of hands-on, computer-based, and instructor-led safety training. The company also has a training initiative each year to provide in-person, specialized team training on a quarterly basis.

## Contractor Safety

Contractors are viewed as an extension of the Southern Star family and that is why the company looks to collaborate only with contractors that share the same core safety values and commitment to team member safety. In the spring of 2022, Southern Star held our annual Contractor Safety Summit. The one-day virtual event had more than 50 contractors in attendance. Communication is important for building a strong relationship with

our contractors. This summit provides a fantastic opportunity to collaborate with contractors by engaging in open dialogue to ensure we are all on the same page before starting the construction season. Every contractor that attends the meeting is provided with a clear understanding of Southern Star’s safety expectations and how to meet those expectations on every project.

All contractors must meet specific safety criteria to be eligible to bid and be awarded a project. Their past performance on projects is evaluated, including their number of OSHA recordable incidents, violations, and efforts taken to improve. They must also be registered with Veriforce, a third-party system that evaluates contractors’ compliance with applicable safety requirements related to the tasks they are contracted to perform. Once on site, Southern Star team members and the contractors have daily safety meetings to discuss and prepare for tasks and perform a jobsite hazard analysis to identify potential safety issues.





# Pipeline Safety and Integrity

## Product Health, Safety, and Environmental Risks

It is Southern Star's belief that accidents can be prevented. However, in the event of an accident, comprehensive policies and practices are in place and the workforce is trained to respond safely and efficiently. Southern Star's natural gas system is monitored 24 hours a day, seven days a week.

Routine inspections, computer monitoring systems, corrosion protection, maintenance, and regular team member training events are just a few of the ways the safe and reliable operations of Southern Star's pipeline and storage facilities are promoted. Drills in preparation of a "Significant Event" are regularly performed, where coordinated efforts are made to determine a course of action in the event of a pipeline or equipment failure, its potential cause, and steps toward a solution.

## Process Safety and Asset Integrity

The Integrity Team strives to keep daily operations safe. Facilities and infrastructure are regularly inspected for possible leaks and to ensure that all equipment is operating safely and efficiently. In 2022, Southern Star conducted 115 storage well assessments which included 56 casing inspections, 50 pressure tests, and nine other mechanical integrity assessments. Additionally, 33 Integrity Assessments, which included 24 In-Line Inspections, six Pressure Tests, and three Low Stress Reassessments, were conducted. These assessments inspected 629 miles of pipe, including 28 miles in High Consequence Areas (HCAs) and 45 miles in § 192.710 Segments, where pipeline releases could have greater consequences to community health and safety or the environment.

Included in the 629 miles of Integrity Assessments, Southern Star inspected 285 miles of pipeline with Hard Spot technology and 67 miles of pipeline with EMAT crack detection technology outside of HCAs as part of our Continual Condition Monitoring approach.

Southern Star historically has invested in, and continues to invest in, facilities to allow the use of in-line inspection technology. In-line inspection is a technique used to assess the integrity of the pipeline and gather data on any anomalies for proactive evaluation and repair. Methods used include robotic self-propelled, tethered, and traditional free-swimming in-line inspections. Pressure tests and underwater diving inspections were also utilized.

Southern Star developed our Integrity Management Program to more effectively perform safety-related activities such as testing and inspections, repairs, and maintenance of the pipeline system. This program is critical in determining the prioritization and timeline of pipeline integrity work. In addition, the program standardizes the manner in which the work associated with the integrity of the pipeline is continually monitored and documented, specifically within HCAs. Southern Star maintains a Damage Prevention Program in accordance with state and federal guidelines. The purpose of the program is to prevent damage to pipelines and facilities from excavation activities, such as digging, trenching, blasting, and boring. Part of this plan provides training to first responders to ensure that emergency response plans are effectively carried out. Through our efforts and shared responsibility with stakeholders, Southern Star strives to increase awareness and reduce damages to underground pipelines.

For residents who live in HCAs, farmers, and those in other areas of operations, the program enhances public safety by creating awareness of operations, advocating for pipeline safety, and promoting safe digging practices. In addition to the required Public Awareness mailings, Southern Star participated in multiple sponsorships, expo booths, and outreach opportunities throughout the year to further promote 811 across our pipeline system.

# Building the road to sustainability

## Emissions Reductions

Southern Star takes pride in providing clean, affordable and reliable energy to the communities in which team members serve and live. In 2020, the company committed to reduce methane emissions from the 2020 baseline number by 50% by the end of 2025. In 2022, greenhouse gas emissions held essentially flat to 2021 with a realized reduction of approximately 0.19%, while methane emissions decreased by approximately 10.5% from the 2020 baseline total methane value.

Southern Star has implemented multiple programs across our system to monitor and address emission leaks and continues to work towards additional reductions in methane emissions. As part of these efforts, Southern Star retained a third-party consultant to validate our 2020 methane emissions baseline data sets and calculations to ensure accuracy in reporting. The third-party validation found only minor necessary changes to the emission value. The validation resulted in a less than 1% deviation from the internally calculated emissions value.

In 2022, Southern Star continued our commitment to complete voluntary leak surveys at all of our 43 compressor stations in a single calendar year. The completion of these voluntary leak surveys provides a more complete picture of total methane emissions across our system. In the event a given compressor station does not have site-specific data obtained during a leak survey for the calendar year, a calculated average emission rate is applied to the station. Measured data is only valid for one year; therefore, to minimize the use of non-site-specific data, Southern Star has committed to performing surveys at every compressor station at least once annually, with the potential for multiple visits in future years.

Annually, survey results are compared to data sets from previous years, including the established 2020 baseline, to validate the effectiveness of our reduction strategies. Southern Star's commitment to reducing methane emissions is anticipated to result in future reductions.

The annual percentage of lost and unaccounted for gas in 2022 was -0.12%, providing direct benefit to our customers and the environment.

Additionally, Southern Star is one of more than 55 members of the ONE Future Coalition, which is an industry-wide initiative to voluntarily reduce methane emissions to less than 1% across the natural gas value chain. Southern Star remains committed to decreasing our environmental footprint through various methods and projects as detailed on the following pages.



## Pipeline & Compressor Unit Modernization

In 2022, Southern Star completed multiple projects to improve system reliability and performed extensive overhauls of the Tonganoxie Compressor Station to allow for automated controls, which will ultimately improve system performance. Additionally, Southern Star replaced nearly four miles of aging pipeline across various projects to ensure safe and reliable operation. Projects of this magnitude highlight the company's dedication to modernizing aging infrastructure. In 2023, Southern Star anticipates continued efforts to improve system efficiency and performance through a multitude of projects, one of which is a nearly five-mile replacement of aging pipe in a High Consequence Area.

## Leak Surveys

Leak detection surveys are critical in detecting emissions and identifying opportunities for emission reductions. In 2022, Southern Star completed leak surveys at all 43 compressor stations. Only seven such surveys were required by regulation with the remaining 36 being voluntary. The data collected during these surveys allowed methane emission calculations to be performed using site-specific measured data versus average emission factors blanketed across our system. Southern Star remains focused on utilizing measured data in the coming years. In 2022 Southern Star revisited five of those stations following various maintenance projects to ensure the accuracy of repair programs and reduction in emissions emitted.

## Pipeline Blowdown Reductions

Flaring, stopple-and-bypass technologies, and other pressure reduction techniques were utilized to reduce and/or avoid pipeline blowdown emissions during 2022 projects. Flaring is a controlled combustion of natural gas, therefore eliminating the direct release of methane to the atmosphere. Southern Star took advantage of this technique multiple times in 2022, which led to significant methane emission avoidances. Additionally, Southern Star utilizes pipeline drawdown techniques to lower the gas line pressure prior to performing maintenance activities to further reduce emissions. As a result of the implementation of these techniques, in 2022 Southern Star continued to realize reductions in pipeline blowdown emissions of approximately 49.5% and 67.4 % from 2021-2022 and 2020 baseline to 2022, respectively. Southern Star Environmental, Engineering, and Project Management teams continue to look for additional opportunities to reduce pipeline blowdown emissions.

## Storage Fields

Southern Star conducted 115 well assessments in 2022 in order to monitor well integrity throughout our storage facilities. Southern Star continues efforts to replace old wellheads with new American Petroleum Institute (API) specification wellheads. Replacement of these wellheads occurs in conjunction with the installation of new casing or tubing in wells. These replacements reduce the risk and likelihood of leaks at the wellhead. Another improvement in certain storage fields was the implementation of a coupon system which detects bacteria in the pipelines to help reduce or eliminate potential gas leaks. Southern Star has multiple storage improvement projects planned for 2023 to help enhance storage reliability.

## Miles Driven

In 2022, Southern Star operational vehicles were driven 8.1 million miles, a 6% increase to 2021. Though there was an overall increase in mileage, Southern Star continues to utilize route optimization tools to minimize necessary miles driven by team members and increase operational efficiency.

# Hydrogen

One of the decarbonization thrust areas in Southern Star's roadmap to carbon neutrality is hydrogen. During 2022, the Southern Star team successfully completed the following two hydrogen projects:

## Hydrogen Co-firing Project

As part of Southern Star Central's aggressive decarbonization program, we partnered with Cooper Machinery Services to complete a first-of-its-kind keystone project, co-firing a hydrogen and natural gas fuel blend in a legacy reciprocating compressor engine (2,400 horsepower). Southern Star was the first United States midstream natural gas transmission company to power an online, large-bore, slow-speed, integral engine running on a 30% hydrogen fuel blend. The project, completed in August 2022 in Hugoton, Kansas, aimed to investigate the effects of the fuel blend on a reciprocating compressor engine's performance and emissions reduction.

Performance metrics included: peak firing pressure, engine speed, engine torque, turbocharger performance, coefficient of variance. Emissions metrics included: unburned hydrocarbons, methane slip, carbon dioxide, and volatile organic compounds.

Hydrogen holds great promise in reducing, and potentially eliminating, unburned hydrocarbons in the exhaust of the lean-burn pipeline fleet. Southern Star demonstrated hydrogen has a significant influence on reducing unburned hydrocarbons, methane slip, carbon dioxide, and volatile organic compounds at different engine sweeps. The program led to an emissions reduction of up to 35%. Additionally, hydrogen was found to favorably improve combustion performance due to its high flame speed, small quenching distance and wide flammability limits. Hydrogen has a favorable effect on reducing peak firing pressure variabilities as represented by an observed reduction in standard deviation and covariance resulting in improved combustion stability. Hydrogen has a significant influence at low torque/low speed on all emissions except nitrogen oxide. Running at a 30% hydrogen blend achieves the same combustion stability and unburned hydrocarbon emissions as full load operations at 100% natural gas. The project's results were presented at the Gas Machinery Research Council Gas Machinery Conference on October 3, 2022, and the SGA Environmental Conference on February 9, 2023.

"Southern Star is proud to be the first natural gas transmission company in the United States to achieve a 30% hydrogen blend in the recent testing of our reciprocating engine. Our partnership with Cooper has been instrumental in the success this project," said Shawn Patterson, Southern Star President & CEO. "This testing presents emission reduction opportunities on our road to carbon neutrality by 2050."

## Pipeline Hydrogen Blending Feasibility Study

Southern Star completed a techno-economic feasibility study and gap analysis in 2022. The study provided a general framework to assess the company's pipeline fitness of service and readiness for transporting hydrogen by focusing on two-line segments in Kansas and Missouri. Preliminary results of the assessment indicate that the majority of the evaluated segments of pipeline could likely meet the requirements set by ASME B31.12 Hydrogen Piping and Pipelines, though some material testing is required to close some of the data gaps prior to conversion. The study revealed the impact of hydrogen on the gas characteristics, material properties, asset integrity, pipeline transport capacity, and equipment performance of infrastructures designed for natural gas. Southern Star continues to digest the contents of the study and evaluate our readiness for alternative fuels in the event our customers call on Southern Star to transport alternative fuels in the future.

# RNG

As long as humans and animals inhabit the earth, methane will be a part of life. Rather than let it escape into the atmosphere, natural gas producers are partnering with farmers, wastewater treatment plants and landfill management to harvest their methane byproducts and convert it to beneficial, usable renewable natural gas (RNG). Southern Star is growing our connections with these producers to transport their product to market, and continuously evaluating opportunities for RNG receipt points.

Southern Star designed and installed two new RNG receipt points in 2022, Waste Management in Oklahoma City, OK and Oakland Wastewater Treatment Plant in Topeka, KS. These connections are bringing approximately an additional 2.3 MMcf of RNG onto our system.

Members of the H2 Pilot Group



# Controlling Waste/ Conserving Resources

## Water Conservation and Reuse

Preserving natural resources remains one of our focal points as the execution of modernization projects is evaluated. One area of focus during the planning phase of a project is to implement techniques that will minimize the use of natural resources, such as water. Hydrotesting is a common pressurization test utilized in the pipeline industry to detect leaks and validate the strength of pipe segments. In order to conserve water during testing, longer segments of pipeline can be tested in smaller sections which allows Southern Star to reduce overall volume of water by an estimated 50 to 75% where feasible. Each job is analyzed to determine available techniques to conserve natural resources and pass potential fiscal savings on to customers.

## Recycling and Reduction Programs

In 2022, Southern Star continued the great work of the Stars of Sustainability (SOS) program that was launched in 2020. The program is a volunteer-based group comprised of team members that actively participate in conservation efforts to create a positive impact. The group focuses on various efforts such as education, increasing recycling opportunities, and promoting sustainability in the daily lives of Southern Star team members. SOS continues to provide sustainability articles in the weekly company newsletter. SOS utilized Earth Day as an opportunity for company-wide tree planting efforts in team members' local communities and hosted an upcycle competition involving team members. Additional office locations continue to be evaluated for recycling program implementation, subject to recycling service availability. The SOS team also purchased a solar charging bench, which was donated to a local park in Owensboro, Kentucky.

## Spills/Releases

Southern Star strives to prevent all spills throughout daily operations. In the event a spill occurs, Southern Star implements reporting and response procedures to quickly identify the contents, remediate the site, and minimize any potential environmental impacts. Southern Star had no reportable spills in 2022 and remains committed to the continuous identification and prevention of spills where possible. As an example of this continued effort, Southern Star is currently amid a multi-year process of upgrading aging secondary containment units to ensure efficacy of the structures in the event of release from a liquid storage tank.

## Restoration of Areas and Minimization of Land Impacts

Expansion within the natural gas industry has the inevitable potential to affect the environment. Southern Star is focused on ensuring that all personnel work to restore lands impacted by construction and operations to as close to its pre-disturbed state as possible. Some methods of restoration involve de-compacting areas where equipment has traveled, sowing new grass, placing straw over the area, and

re-establishing preconstruction contours at any project water crossings. Impact minimization remains achievable through several methods implemented by Southern Star including but not limited to strong project planning; the utilization of construction matting to minimize ground disturbance, consultation with the Natural Resources Conservation Service for suggested native seed mixes, post-construction monitoring programs for revegetation, as well as other devices and techniques that help decrease impacts to the landscape. Maintaining good communication with jurisdictional agencies and affected landowners enables Southern Star to stay abreast of applicable state and federal compliance regulations, and to collaborate with landowners to effectively address project remediation efforts. Additionally, these relationships aid in rebuilding and potential expansion of sensitive species habitats when possible.

*Solar array at headquarters in Owensboro, KY*



## Energy Consumed at Facilities

Southern Star continues to make strides toward decreasing our energy consumption and is committed to the continued search for additional reduction opportunities. New project teams have been created with the purpose of evaluating alternative fuels and renewable energy opportunities. The first opportunity seized was the 2020 installation of an approximately 660-kilowatt, AC solar field at Headquarters. In 2022, total renewable energy production was 1.18 GWh versus total energy consumption of 1.13 GWh, netting a 0.05 GWh excess of renewable energy at Headquarters. Therefore, as of the end of year 2022, Southern Star is proud to announce that as a result of this project, Southern Star Headquarters is now net-zero for carbon-based electric energy. Southern Star continues to utilize this successful pilot project to scope additional renewable projects for the future.

Energy Consumption data for Southern Star's Employee Excellence Center (EEC) location in Owensboro, KY was compiled to compare energy consumption from 2021 to 2022. The EEC, a space used for conferences and team member training throughout the year, saw its electrical consumption decrease from 2021 to 2022 by 4%. This decrease was likely due to the intermittent and strategic use of space at the facility.





# A spirit of giving all year through

Southern Star is committed to our communities and our team members are always looking for ways to give back.

In 2022, team members made connections with organizations across the system and held one of the biggest outreach events in the company's history with a Day of Service in honor of Veterans Day on November 11 and 12, 2022. More than 130 team members turned out for company-organized and personal activities, volunteering over 460 hours, painting, cleaning, and supporting community organizations any way they could.

While supporting a wide variety of organizations, the company's outreach focus is on science, technology, engineering and math (STEM) education, youth, arts, veterans, and non-profits with a focus on inclusion and diversity.

In alignment with our Diversity, Equity and Inclusion strategy, corporate contributions to nonprofits with an inclusion and diversity focus equated to 46% of budgeted corporate giving in 2022. Financial support has been provided to organizations that focus on veterans, minority youth, indigenous populations, people with disabilities, local cultural celebrations and more.

A commitment to financial giving is also strong with our team. In 2022, Southern Star Cares was formed as a team member-led nonprofit organization that will benefit the Owensboro, Kentucky area community. Southern Star team members pledged more than \$98,000 in the inaugural fundraiser, surpassing the team's \$80,000 goal. The company provided an additional \$20,000 in support. All funds raised by Southern Star Cares go to grant recipients, with no administrative fees or deductions. Southern Star Cares will accept grant applications from local nonprofit organizations beginning in 2023. Following the inaugural Owensboro campaign and grant awarding process, Southern Star Cares will expand to other communities across our company footprint.

In 2022, team members averaged 12.6 volunteer hours, and personally donated in excess of \$23,655 to charitable 501(c)(3) organizations within their communities. The company will match each team member's personal contributions, up to \$1,000.

Volunteer hours in 2022: 7,694

Team member donations in the last three years: \$65,484

Corporately given or matched contribution in the last three years: \$679,821



Southern Star is a proud supporter of first responders in our communities. Several team members volunteer as fire fighters, and throughout the year we donate to them in appreciation of their dedication.

# How the team operates

Southern Star is committed to ensuring the company operates under appropriate internal controls. Commitments and expenditures made on behalf of the company must be appropriately authorized.

Team members are empowered to make financial decisions within their authority to keep Southern Star running day-to-day. The Delegation of Authority Policy is used as the primary policy to determine who can authorize purchases within specific limits.

Authorization limits are outlined for leaders and other specific roles in the company.

Concerns and goals of the team are incorporated as much as possible into the empowerment process, but it is ultimately the Board of Directors who delegates authority.

Southern Star uses a fair, organized, and competitive bidding and awarding process for our spend over certain dollar and risk thresholds. This ensures superior suppliers and contractors are used with no preferential treatment or favoritism, and the future aim is to strategically align the company with proven providers to streamline operations.

The company is regulated by the Federal Energy Regulatory Commission (FERC), and all team members are encouraged to report any compliance issues they encounter. Southern Star also sponsors a FERC hotline which provides an option for team members, agents, and contractors to anonymously report suspected FERC compliance violations. All team members are also provided access to our ethics hotline.

*Southern Star is committed to complying with all applicable FERC requirements and regulations and being a trustworthy and transparent business partner with our customers, potential customers, the public and all applicable stakeholders.*



# In the network

Southern Star's resources extend far beyond our state borders. It has experienced advocates and agencies that promote the applications and safe use of natural gas and state lobbyists who work closely with legislators to educate them on the value natural gas and Southern Star bring to their state.



The Interstate Natural Gas Association of America (INGAA) is a trade organization that advocates regulatory and legislative positions of importance to the natural gas pipeline industry in North America. As a member of INGAA, Southern Star is represented when issues reach the national level.

Southern Star is proud to also be a member of the American Gas Association (AGA) which serves to educate the public about the importance of natural gas, supports natural gas utilities in their efforts to make their operations safer, more efficient and more environmentally-friendly. AGA also serves as a resource for local, state and federal policymakers when it comes to regulating the natural gas industry.



As a member company of the Southern Gas Association (SGA), Southern Star and our team members unite with other companies to share ideas, resources, and best practices to develop people, relationships, and solutions.

The Common Ground Alliance (CGA) is the leading organization in an effort to reduce damage to underground facilities in North America through shared responsibility among all stakeholders. Educating the public to call 811 and dig safely begins with young students in the classroom, and the partnership with CGA keeps Southern Star abreast of best practices in our industry to operate safely.



Know what's below.  
Call before you dig.

Southern Star professionals are encouraged to be involved with regional and national organizations such as the ones listed above and NACE (National Association of Corrosion Engineers), just to name a few. Sharing and learning is valued with our counterparts to promote the advancement of our industry.

Samples of advocacy and public awareness efforts on social media:



Southern Star Central Gas Pipeline  
December 1, 2022 · 🌐  
Do you know where your energy and heat are coming from as winter weather arrives? You can trust natural gas to provide safe and reliable service to your home and family all winter long.  
For more information on our industry's reliability, visit: <https://playbook.aga.org/reliable>  
#SouthernStarProud #NaturalGas



Southern Star Central Gas Pipeline  
September 2, 2022 · 🌐  
While wrapping up those final summer projects, it's important not to forget to #Call811 or visit [www.call811.com](http://www.call811.com) before digging.  
Your call to 811 could help avoid potential injury or damage to utility lines and allow you to finish those final renovations and outdoor projects.  
#SafeDigging #SouthernStar #KnowWhatsBelow



Southern Star Central Gas Pipeline  
September 16, 2022 · 🌐  
America's natural gas utilities invest every day to enhance the safety of their transmission and distribution systems. Safety always remains the number one priority.  
For more information on the industry's commitment to safety, visit: <http://playbook.aga.org/safe>



Southern Star Central Gas Pipeline  
June 7, 2022 · 🌐  
Carbon dioxide emissions from residences using natural gas for space heating, water heating, cooking and clothes drying are about 22% lower than those attributable to an all-electric home. In addition, natural gas is projected to be as low as half the price of other fuels through 2050. Now you have a win-win! Tell your realtor, home builder, and legislator, "I want a home with natural gas."



Advocates in our primary states of operation (Missouri, Kansas, and Oklahoma) keep the company on the front lines of upcoming regulatory matters.

# People: our most important asset

## Diversity, Equity and Inclusion (DEI)

Southern Star welcomed a new Director of DEI to the company in 2022 to ensure a thoughtful and robust strategy to drive the enterprise-wide DEI vision, strategy, values, and goals. This person serves as an advisor and thought leader, partnering with leadership to set and advance goals to recruit, support, and retain a diverse team to create an inclusive workplace.

The company's DEI learning plan plays a crucial role in executing the DEI strategy and goals. Through learning, team members are met where they are in the DEI journey. The learning strategy fosters a culture of awareness, respect, and enables change. In 2022, over 1,000 hours of total training were conducted, including unique learning opportunities for executive leadership and open-forum sessions led by leaders for the entire company.

The DEI Council's mission is to help build and sustain a culture that demonstrates commitment to DEI by working internally and externally to attract, recruit, and retain diverse talent, educating team members and the communities we operate in, and ensuring the DEI strategy is aligned with the overall business strategy and goals. The DEI Council also has oversight responsibility for the Employee Resource Groups (ERGs).

Women in Natural Gas (WING), the first employee resource group (ERG), held their inaugural conference in 2022. More than 50 women gathered from across the company to enjoy a few days of professional development and networking.

Two other ERGs were launched in 2022 - a veteran's ERG and the multicultural ERG. The

veteran's ERG provides a place for veterans to connect and support one another while also offering educational opportunities for non-military team members. The multicultural ERG was created with a goal to empower team members to leverage their unique identities and to help others embrace and learn about various cultures.

Our support for DEI extends beyond the direct team. Over the past three years, Southern Star has developed a supplier diversity program to increase inclusion of diverse suppliers within the Southern Star supply chain. These include Women Business Enterprise businesses, Minority Business Enterprise businesses, and other diverse certified entities. This initiative is part of our overall Southern Star DEI strategy. The desired impact is to strengthen our supplier pool and have a more diverse representation in our suppliers to accurately reflect the diversity of our customers, partners, and communities.

## Team Training and Development

New team members begin their careers at Southern Star by attending UPWARDS, our new hire orientation program. This two-day, in-person experience provides the opportunity for team members to understand the company's mission, vision and values. More importantly, they get to meet and interact with leadership and spend time getting to know one another. Southern Star's greatest asset is our people, and the UPWARDS program sets the tone from day one that each team member matters and the company is committed to helping them grow and develop their career. Embracing the differences of team members, valuing diversity, and leading through inclusion are the core components of Southern Star's people strategy.

Another way Southern Star puts people first is

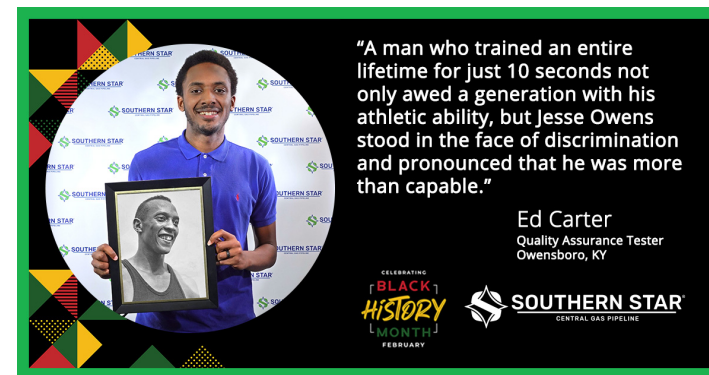
to commit to offering multiple opportunities for professional development. Developing people is the best investment the company can make in itself. The Organizational Development Department offers print, in-person, and virtual forms of learning and development for all team members and leaders.

The accessibility and variety of offerings allows professional development to be tailored to individual needs and enabled our team members to complete 15,944 hours of professional development in 2022.

Southern Star offers an educational reimbursement of up to \$5,250 per year to be applied towards college tuition, textbooks and fees for examinations. These are courses that allow team members to achieve degrees that can lead to promotion or advancement in pay.

The intern program hosted twelve participants in 2022 across multiple departments, including safety, reliability, operations, communications, measurement analysis, accounting and engineering. Three of our interns found a full-time career at Southern Star following their internship. This program will continue preparing future professionals for rewarding careers in the natural gas industry.

Southern Star leadership took a customized approach to supporting and developing new leaders in the organization by identifying and creating training courses focused on leadership essentials. The courses set new leaders up for success with a focus on budgeting, leading direct reports, hiring practices, compensation, and expense reporting. Southern Star leaders possess the necessary skills and knowledge to make informed decisions, solve problems effectively, and motivate team members.



DEI efforts in 2022 included more inclusion-related posts on social media, online training events hosted by executive leadership, and the launch of two additional employee resource groups.

Cautionary Note

References to policies and procedures in this report do not represent guarantees or promises about their efficacy, or any assurance that such measures will apply in every case, as there may be exigent circumstances, factors, or considerations that may cause implementation of other measures or exceptions in specific instances. Please see the section entitled “Important Information Regarding Policies, Procedures, Practices, and Forward-Looking Statements”.

Important Information Regarding Policies, Procedure, Practices, and Forward-Looking Statements

This report contains forward-looking statements. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “believes,” “can,” “could,” “may,” “predicts,” “potential,” “should,” “will,” “estimate,” “plans,” “projects,” “continuing,” “ongoing,” “expects,” “intends” and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Our actual results could differ materially from those anticipated in such forward-looking statements.

Any or all of our forward-looking statements in this report may turn out to be inaccurate. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our predictions, results of operations, business strategy and financial needs. We have provided links to certain other web sites that may or may not provide material that is informative, and any information contained therein should not be considered a representation by the company as to facts or materials contained therein.

Southern Star does not guarantee nor warrant the adequacy, accuracy, correctness, currentness, reliability or completeness of the materials identified in this report and will not be responsible for any claim of any person attributable to errors, omissions or other inaccuracies of any part of such materials.

Any mentions of specific persons, technologies, software, applications, companies, commercial product processes, or services by trade name, trademark, manufacturer, or otherwise, does not constitute or imply its endorsement, recommendation, or favoring by Southern Star, its parent, officers, directors, or employees.

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Southern Star is a leading transporter of natural gas to America's heartland, with approximately 5,800 miles of natural gas transmission pipeline in the Midwest and Mid-Continent regions of the United States.

Our pipeline system, facilities and team members are located in Missouri, Kansas, Oklahoma, Wyoming, Colorado, Nebraska and Texas, with our headquarters in Owensboro, Kentucky.

Primary Field Locations:

Colby, KS  
Hugoton, KS  
Hesston, KS  
Independence, KS

Kansas City, KS  
Lyons, KS  
Ottawa, KS  
Tonganoxie, KS

Wichita, KS  
Welda, KS  
Concordia, MO  
Joplin, MO

Alva, OK  
Blackwell, OK  
Edmond, OK  
Rawlins, WY



Visit us and find out more:  
**[southernstar.com](http://southernstar.com)**

